

D.T.E. 01-101

Petition of Western Massachusetts Electric Company requesting approval of its 2002 Rate Change Filing and of changes to its rate tariffs effective January 1, 2002, pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4) and the Restructuring Settlement Agreement approved by the Department of Telecommunications and Energy in D.T.E. 97-120.

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FOR: WESTERN MASSACHUSETTS ELECTRIC
COMPANY
Petitioner

I. INTRODUCTION

On November 28, 2001, Western Massachusetts Electric Company (“WMECo” or “Company”) filed with the Department of Telecommunications and Energy (“Department”) a Rate Change Filing along with proposed changes to its tariffs pursuant to G.L. c. 164, § 1A(a), 220 C.M.R. § 11.03(4) and the Restructuring Settlement Agreement approved by the Department of Telecommunications and Energy in D.T.E. 97-120.¹ According to the Company, the rate adjustments affect WMECo’s standard offer service charge, transmission charge, and transition charge. Further, the Company proposes changes in charges for energy efficiency and renewables programs pursuant to G.L. c. 25, §§ 19 and 20. The Company proposes that its proposed rate adjustments take effect for consumption on and after January 1, 2002.

On December 6, 2001, the Department issued a Notice requesting comments on the Company’s proposed Filing. Notice was issued to all the participants in Western Massachusetts Electric Company, D.T.E. 97-120 (1999) (WMECo’s Restructuring Order); Western Massachusetts Electric Company, D.T.E. 00-33 (ongoing investigation into costs for the period March 1, 1998 through December 31, 1999); and Western Massachusetts Electric Company, D.T.E. 00-110 (2001) (Reconciliation Filing for calendar year 2001). On December 14, 2001,

¹ The amended tariffs filed by the Company are M.D.T.E. Nos. 1000H through and including 1008H, 1009I, 1010I, 1011H through and including 1013H, 1015F, 1034C and 1035C.

the Department received comments from the Office of the Attorney General.² On December 18, 2001, the Company filed its Reply Comments.

The proposed changes in rates include the following: a transition charge rate of \$0.01357 per kilowatt hour ("KWH"); a transmission rate adjustment factor of \$0.00042 per KWH; and a standard offer service rate of \$0.04841 per KWH. In addition, the Company states that the net effect of these adjustments would allow WMECo to decrease its non-contract, standard offer rates by approximately 14 percent (Rate Change Filing at 1).

The Department determines that further investigation is necessary into this filing. The Department finds, however, that the rate changes filed by the Company on November 28, 2001, for consumption on and after January 1, 2002, are in compliance with Department precedent,³ consistent with Chapter 164 of the Acts of 1997, and consistent with WMECo's restructuring plan. Therefore, allowance is in the public interest. The rate changes are subject to reconciliation pursuant to the Department's investigation of the Company's next reconciliation filing.

² On December 10, 2001, the Department received the Petition of Alternate Power Source, Inc., to Intervene. Additionally, on December 11, 2001, the Department received the Petition of Schweitzer-Mauduit International, Inc., to Intervene. While these petitions were beyond the scope of the Notice issued by the Department on December 6, 2001, the comments included in these petitions are hereby noted. The Department will establish an intervention deadline in this proceeding following WMECo's reconciliation filing in March 2002.

³ Western Massachusetts Electric Company, D.T.E. 97-120 (December 17, 1999 Letter); Standard Offer Service Fuel Adjustment, D.T.E. 00-66, 00-70 (December 4, 2000 Letter Order).

II. ORDER

After due notice and consideration, it is

ORDERED: That the rate changes filed by Western Massachusetts Electric Company with the Department on November 28, 2001, M.D.T.E. Nos. 1000H through and including 1008H, 1009I, 1010I, 1011H through and including 1013H, 1015F, 1034C and 1035C, are ALLOWED; and it is

FURTHER ORDERED: That the rate changes for Western Massachusetts Electric Company are ALLOWED subject to reconciliation pursuant to the Department's investigation.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner